



საქართველოს ბანკი
BANK OF GEORGIA

Bank of Georgia 2005 Results

Invest In Georgia

New York March 2, 2006

The Georgian Economy At A Glance

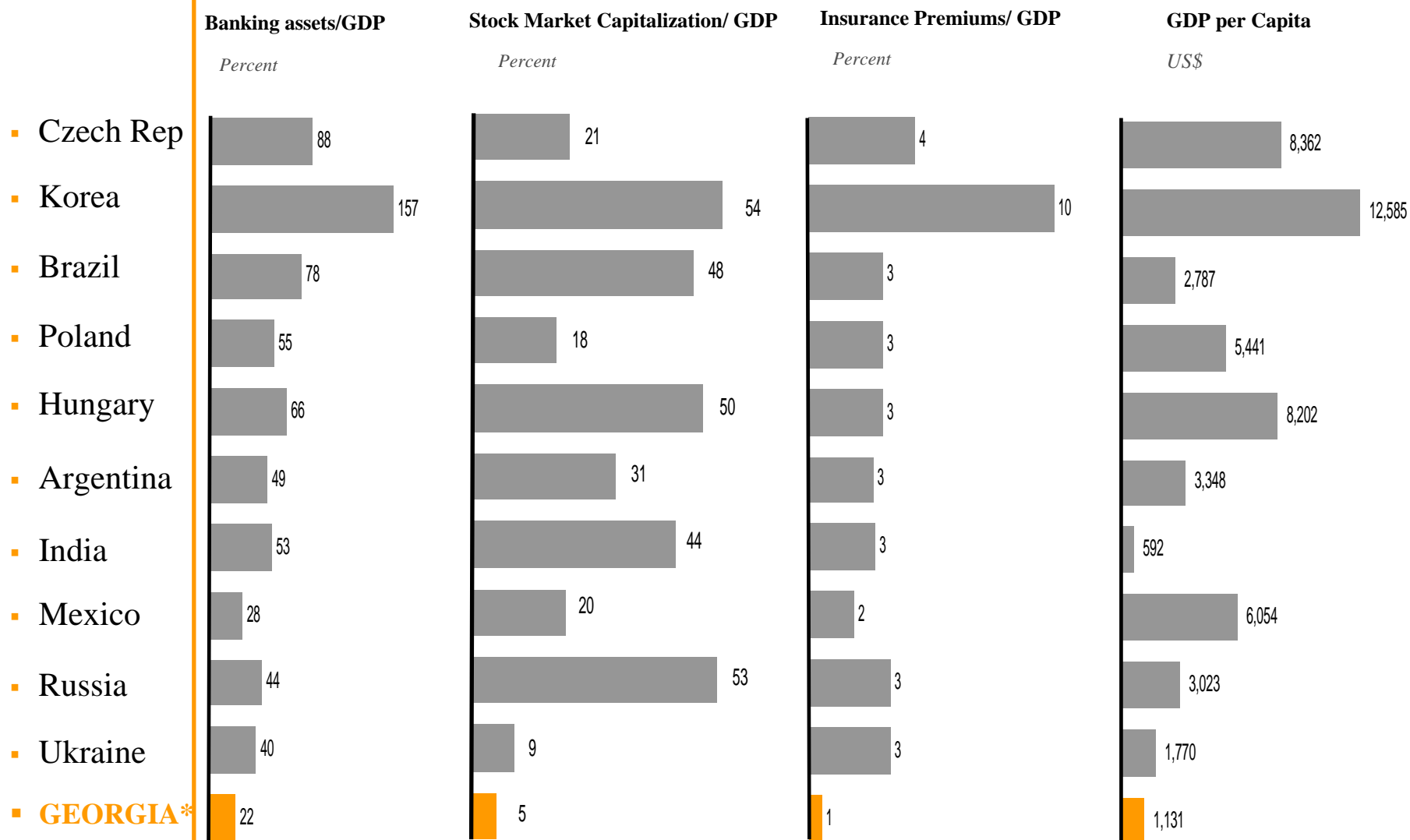
| <i>In GEL mln, unless otherwise noted</i> | 2003A | 2004A | 2005E | 2006F | 2007F | CAGR 04-07 |
|---|--------------|--------------|--------------|--------------|--------------|-------------------|
| Demographic Parameters | | | | | | |
| Population, thousand people, of which | 4.55 | 4.54 | 4.56 | 4.58 | 4.60 | 0.5% |
| Economically active | 2.11 | 2.11 | 2.13 | 2.14 | 2.16 | 0.7% |
| % of Total Population | 46.5% | 46.6% | 46.7% | 46.8% | 46.9% | |
| Number of Households, thousands | 1,220 | 1,200 | 1,212 | 1,231 | 1,239 | |
| <i>In GEL mln, unless otherwise noted</i> | 2003A | 2004A | 2005E | 2006F | 2007F | CAGR 04-07 |
| Macroeconomic Parameters | | | | | | |
| Nominal GDP | 8,560 | 9,506 | 11,149 | 12,412 | 14,649 | 15.5% |
| Real GDP Growth, % | 11.1 | 6.2 | 7.8 | 6.5 | 10.2 | |
| GDP Per Capita (GEL) | 1,883 | 2,096 | 2,446 | 2,710 | 3,182 | 14.9% |
| CPI, GEL, e-o-p, % | 6.9 | 7.5 | 6.1 | 5.1 | 8.7 | |
| GDP Deflator, y-o-y, % | 3.2 | 5.9 | 5.5 | 4.5 | 7.1 | |
| GEL/US\$, avg | 2.14 | 1.91 | 1.81 | 1.79 | 1.80 | -2.0% |
| GEL/US\$, e-o-p | 2.05 | 1.83 | 1.79 | 1.78 | 1.79 | -0.7% |
| Consolidated State Budget Revenues | 1,320 | 2,282 | 2,507 | 3,029 | 3,807 | 18.6% |
| Consolidated State Budget Deficit | 202 | 130 | 524 | 385 | 425 | 48.4% |
| <i>As % of GDP</i> | 2.36% | 1.37% | 4.70% | 3.10% | 2.90% | |
| Debt to GDP Ratio | 44.42 | 33.17 | 27.71 | N.A. | N.A. | |
| Debt to Exports Ratio | 143.27 | 112.22 | 89.1 | N.A. | N.A. | |
| Exports, FOB (US\$ mln) | 465.3 | 648.4 | 867.1 | N.A. | N.A. | |

Source: State Statistics Department ; Galt & Taggart Securities' estimates

The Georgian Economy cont'd

- High GDP growth
- Stable currency
- Strong fiscal performance
- Increasing consumer spending
- Increased productivity
- Unprecedented government spending on infrastructure
- Reasonable interest rate environment
- Increased foreign investor activity
- Progressive new tax code
- Massive deregulation and liberalization
- Reduced corruption
- Improving corporate governance practices
- Abolition of all customs duties in 2008

STILL A LAGGARD AMONG EMERGING MARKETS, 2003



Note: Estimated real GPW to GDP in Russia was only about 1,7% in 2003; * 2005 ;
Source: Global Insight; Global Stock Market Factbook 2004; National Banks; McKinsey

The Georgian Financial Services Sector At A Glance

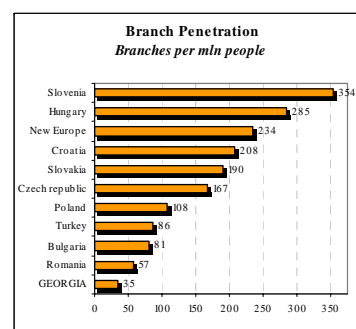
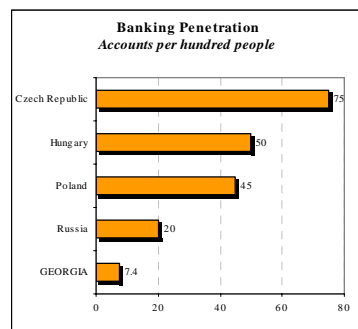
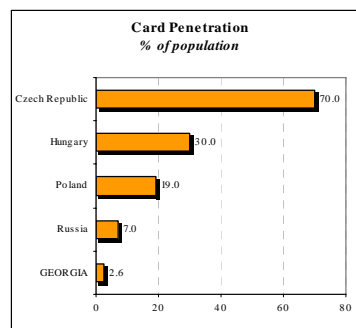
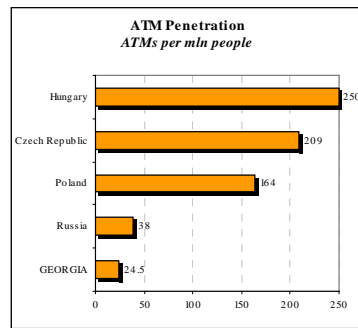
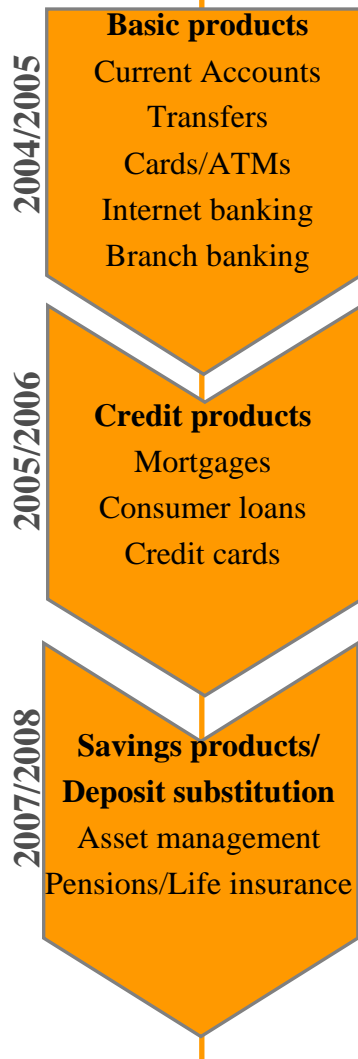
- 21 banking licenses, but sector consolidation in progress

| | 2005 | Y-O-Y Growth | Top 5 Banks | Bank of Georgia |
|-----------------------------|---------------|--------------|-------------|-----------------|
| Total Assets | GEL 2,548 mln | 50.2% | 78.4% | 17.8% |
| Loans | GEL 1,730 mln | 79.3% | 81.8% | 18.2% |
| Deposits | GEL 1,538 mln | 56.5% | 78.1% | 19.0% |
| Shareholders' Equity | GEL 479 mln | 28.7% | 68.1% | 18.7% |
| Net Income | GEL 62 mln | 124.7% | 74.0% | 20.7% |

- Bank-owned insurance companies account for a 62% market share
 - Bank of Georgia has an approximately 22% market share (BCI/EuroPace)
- Bank-owned leasing companies account for 100% of the leasing assets
 - Bank of Georgia (GLC) has an approximately 30% market share
- Bank-owned broker-dealers account for more than 70% of trading volume on the GSE
 - Bank of Georgia (Galt & Taggart) has an approximately 35% market share
- 2nd, 3rd and 4th largest banks are foreign-controlled
 - Bank of Georgia (70% non-resident institutional investor ownership)
 - United Georgian Bank (51% owned by VneshtorgBank)
 - ProCredit Bank Georgia (majority controlled by the ProCredit network)

The Georgian Banking Sector – Significant Growth Potential

As consumer demand for financial services becomes more sophisticated



Source: GFK, Pentor, McKinsey, Galt & Taggart Securities' estimates;
Georgia 2005 1H data

| | Georgia (2005E) | Georgia (2004) | CIS (2002) | Balkans (2002) | CEE (2002) | EU (2001) |
|---------------------------------------|-----------------|----------------|------------|----------------|------------|-----------|
| Total Loans/GDP (%) | 13.02% | 9.85% | 17% | 14% | 32% | 172% |
| Total Deposits/GDP (%) | 10.93% | 10.03% | 22% | 25% | 53% | 186% |
| Banking Assets per capita (EUR) | 169 | 151 | 628 | 695 | 4,336 | 64,535 |
| Banking Assets/No. of Banks (EUR mln) | 36.5 | 32.5 | 92 | 173 | 1,375 | 5,288 |

Source: ECB, EBRD, NBG, Galt & Taggart

| | |
|----------------------|-------|
| GEL/EUR as Dec 31 03 | 2.592 |
| GEL/EUR as Dec 31 04 | 2.485 |
| GEL/EUR as Dec 31 05 | 2.125 |

**Intermediated
Retail Financial
Assets**

GEL 745 mln

**Total Retail
Financial Assets**

GEL 1,854 mln

**Total Consumer
Loan Stock Per
Capita (including
mortgages)**

GEL 108

**Cards in
circulation**

Under 200,000

The Georgian Banking Sector – Key Trends & Issues 2005 - 2007

- **Increasing adoption of the universal banking business model, following the lead of Bank of Georgia**
- **Significant IT/infrastructure and marketing spend drives increasing retail banking penetration**
- **Increasing foreign investment in small banks**
 - Salford/Standard Bank (December 2004)
 - TuranAlem/SilkRoad bank (March 2005)
 - Cascade Holdings/Emporiki Bank Georgia (January 2006)
- **Increasing availability of non-deposit funding**
 - Driven by the S&P sovereign B+ rating
 - IFIs: EBRD, IFC, DEG, OPIC, BSTDB
 - Syndicated loans (TBC Bank)
 - Domestic bonds (Bank of Georgia, ProCredit Bank Georgia)
 - CLNs/Eurobonds (expected Q4 2006/1H 2007)
- **Significant sector-wide growth triggers expected (2006-2007)**
 - Gradual relaxation of the tough NBG capital adequacy & liquidity ratios
 - Strengthened and improved bank supervision, strict AML/KYC regime improve confidence in the banking sector
 - Financial sector liberalization under way, dramatically facilitating non-residents' access to Georgian financial assets
 - Introduction of the deposit insurance scheme (potentially in 2007)

Bank of Georgia - Our Vision & Mission

Our vision is to be recognized as *the best financial services company in Georgia*.

Our mission is to create long-term value and deliver by 2007 ROAE of 20%+ by building a relationship-driven, client-facing integrated financial services company based on the core values of *excellence in execution, teamwork, integrity and trust*.

Retail Banking

The largest Georgian retail bank, offering consumers the broadest range of services through multiple channels

Corporate & Investment Banking

A leader in corporate banking, bank of choice for inbound foreign corporates
The undisputed leader in investment banking
Integrated offering to large corporates through strong client coverage culture

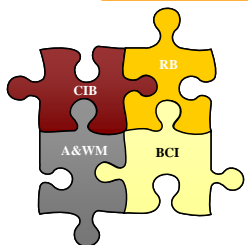
Insurance

A leading player in the non-life sector, cross-selling insurance to corporates
A leading life insurance and pensions provider

Asset & Wealth Management

A leading share of the domestic institutional business
The undisputed domestic leader in wealth management, with niche appeal to sophisticated non-resident investors
A player in private equity and venture capital

Bank of Georgia – An Integrated Business Model



One Firm

Strong
management

Shared
expertise

Cross-sell
synergies

Shared
services &
infrastructure

Cost
efficiency

| Bank of Georgia Group | | | | 2005 Results |
|-----------------------|----------------|---------------|------------------------------|-------------------------------------|
| BCI/EP | CIB | RB | A&WM | |
| 2/3 | 2 | 1 | 1 | Market Position |
| N/A | US\$ 101.7 mln | US\$ 7.1 mln | AUM/Custody US\$ 44.0 mln | Earning Assets |
| US\$ 4.3 mln | N/A | N/A | US\$ 6.7 mln | Total Assets |
| US\$ 5.1 mln | US\$ 13.9 mln | US\$ 14.5 mln | US\$ 1.1 mln | Revenue |
| N/A | US\$ 10.6 mln | US\$ 5.9 mln | N/A | NNOI |
| US\$ 0.7 mln | US\$ 8.12 mln | US\$ 4.2 mln | US\$ 0.4 mln | PBR |
| US\$ 0.4 mln | US\$ 4.4 mln | US\$ 2.3 mln | US\$ 0.3 mln | Net Income |
| 5.9% | 59.3% | 31.1% | 3.7% | Contribution to Group Net Income |

Bank of Georgia - Development Milestones

| | | New Management Team Takes Over | | | |
|---|--|--|--|---|---|
| US\$ 110.9 mln US\$ 72.8 mln US\$ 58.8 mln US\$ 26.3 mln | US\$ 151.7 mln US\$ 93.3 mln US\$ 96.4 mln US\$ 26.4 mln | US\$ 198.04 mln US\$ 105.3 mln US\$ 137.8 mln US\$ 29.7 mln | US\$ 201.4 mln US\$ 132.4 mln US\$ 135.5 mln US\$ 33.1 mln | US\$ 253.5 mln US\$ 176.0 mln US\$ 151.5 mln US\$ 50.3 mln | Total Assets (e-o-p) Total Loan Book (e-o-p) Deposits (e-o-p) Equity (e-o-p) |
| | | 6 | 11 | 15 | Number of Western-Trained Professionals |
| | | TUB (US\$ 6.2 mln) BCI (US\$ 2.1 mln) Georgian Card (increased from 19% to 51%, US\$ 343 K) | Galt & Taggarrrt (increased from 35% to 90%, US\$ 206K) | GLC (increased from 60% to 87.3%, US\$ 350 K) Europace, 100% acquisition by BoG and BCI (US\$ 1.4 mln) | Key Acquisitions |
| Retail Banking Corporate Banking Trade Finance Foreign Exchange | Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking | Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance | Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions | Retail Banking Corporate Banking Trade Finance Foreign Exchange Investment Banking Insurance Leasing Pensions Private Banking | Key Business Lines |
| BSTDB US\$ 4 mln DEG EUR 6.5 mln AKA Bank EUR 5 mln EBRD US\$ 11 mln IFC US\$ 8 mln | | | KfW US \$3.5 mln guarantee facility EBRD US\$ 10 mln | GEL 1.4 mln Bond Placement | Key International Lenders |
| EBRD (since 1998) DEG invests | | Post-Communist Opportunities Fund, Firebird Avrora Fund, Firebird Republics Fund Firebird Global Master Fund invest | Ostinvestor clients invest The Firebird funds and East Capital Bering Fund increase their respective stakes | Several hedge funds invest East Capital Holding increases its stake East Capital Bering Ukraine Fund invests Bank Austria Creditanstalt purchases a large block on behalf of institutional client and issues Call Warrants against BoG stock tradable on the Vienna Stock Exchange SEB Vilniaus Bankas purchases a large block on behalf of Finasta | Institutional Shareholders |
| 2000-2003 | Q1-Q3 2004 | Q4 2004 | 1H 2005 | 2H 2005 | |

Supportive Shareholders & Lenders

BoG Shareholder Structure

Bank of Georgia Shareholding

| 31-Jan-06 | Shares | % |
|---------------------------------------|-------------------|---------------|
| EBRD | 1,797,509 | 11.8% |
| Victor Gelovani | 1,817,779 | 11.9% |
| Bank Austria Creditanstalt (nominees) | 1,499,993 | 9.8% |
| Firebird Avrova Fund | 1,356,219 | 8.9% |
| Firebird Republics Fund | 1,355,706 | 8.9% |
| East Capital Holding | 846,864 | 5.6% |
| East Capital Bering Fund | 771,172 | 5.1% |
| East Capital Bering Ukraine Fund | 670,000 | 4.4% |
| Firebird Global Master Fund | 637,999 | 4.2% |
| Galt & Taggart Securities (nominees) | 392,084 | 2.6% |
| Lado Gurgenidze | 361,243 | 2.4% |
| SEB Vilniaus Bankas (nominees) | 331,200 | 2.2% |
| Sulkhan Gvalia | 257,835 | 1.7% |
| Tariel Gvalia | 243,095 | 1.6% |
| Subtotal | 12,338,698 | 81.0% |
| Retail Free float | 2,893,725 | 19.0% |
| Total | 15,232,423 | 100.0% |

Key Lenders



Key Institutional Shareholders



Custodians/Nominees



- Management currently owns approximately 623,080 shares and approximately 541,665 options/share grant entitlements
- New management share ownership plan has been introduced and 40 professionals equitized
- 40 non-resident individual shareholders
- Approximately 1,800 domestic retail shareholders

2006 YTD Accomplishments

- Total assets grew to GEL541.1 mln (US\$300.2 mln) from GEL453.6 mln (US\$253.5 mln) at the YE 2005
- Acquisition of IntellectBank
 - 25,000 retail clients
 - Approximately 7,000 active cardholders, sole distributor of AmEx Cards, a 49% ownership in UFC
 - Active partner of Anelik, MoneyGram, WesternUnion and other money transfer businesses
 - 18 additional branches, bringing our total to 75
 - Estimated 2006 pre-tax post-synergies earnings contribution of GEL2.6 mln
- Ahead of schedule on the annual debt funding plan (US\$100 mln)
 - GEL20 mln (US\$ mln) 2 year, 6.2% bullet loan
 - US\$10 mln 10 year loan 2.75% over LIBOR loan guaranteed by OPIC
 - A bulge bracket bank mandated on a US\$25 mln 1 year unsecured term loan/CDS facility
 - Several proposals received to arrange a debut US\$15 mln syndicated loan
 - Proposal received for a US\$5 mln subordinated debt
- Introduced monthly account maintenance fees (GEL1.5 per month) on all non-payroll retail client accounts with no pushback from clients – additional estimated fee income of GEL1.0 mln in 2006

2006 Accomplishments

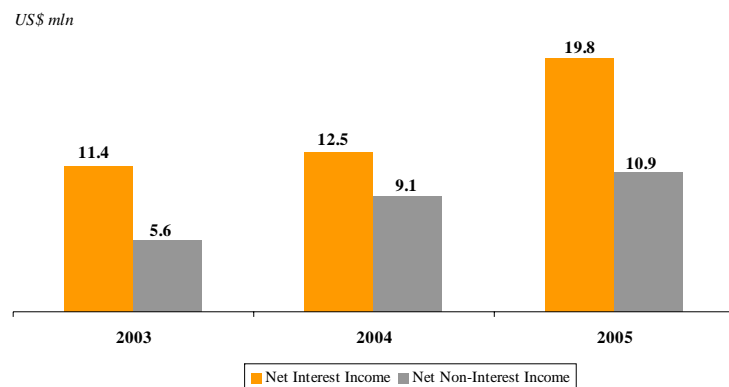


- Good progress on co-branded retail initiatives
 - **Chemebi** – launched a new consumer insurance brand
 - Property, car, health, travel and life insurance packages
 - Co-branded loyalty/bonus cards
 - No less than 20,000 clients expected in 2006
 - **GeoCell** (a mobile operator with 600,000+ active subscribers 49% market share) – acquisition of up to 5,000 retail clients expected in 2006
 - Co-branded cards distributed to GeoCell's post-paid client base, loyalty program, other projects under development
 - **Populi** (the largest supermarket chain with 13 outlets, 9% owned by BoG, 23% owned by Firebird) – acquisition of up to 3,000 retail clients expected in 2006
 - Exclusive POS acquiring, in-store promotion of BoG products, ATMs in most stores, co-branded cards/cashback
- The sole servicing bank of Millennium Challenge Georgia (US\$295 mln committed US funding over the next five years)
- The servicing bank and the sole financial advisor to TAV-Urban the Tbilisi and Batumi airports BOT operator (a US\$77 mln project)

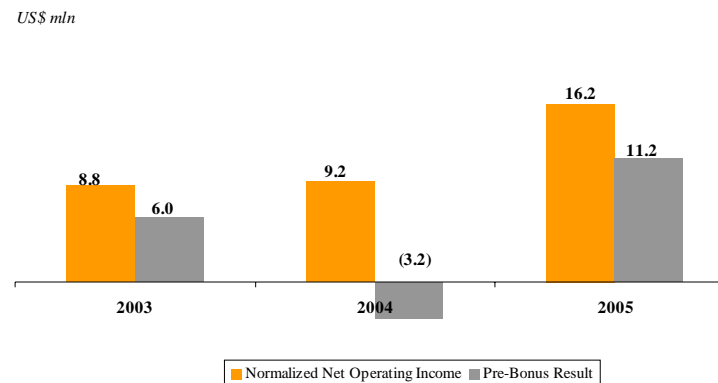
2005 Results Overview

ROAE 19.5%
ROAA 3.3%
CAR (Basel) 22.6%

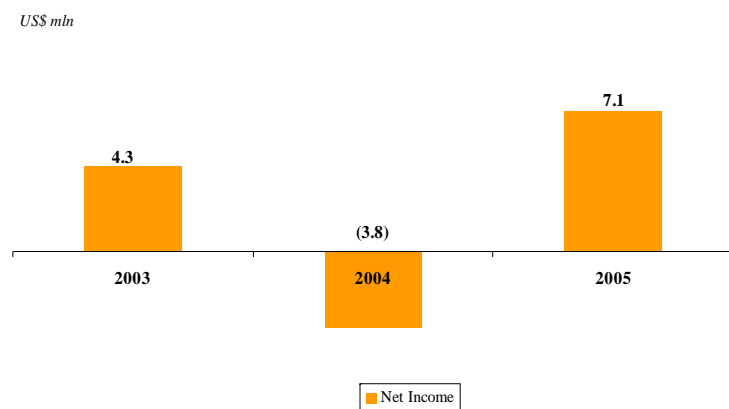
Net Interest Income & Net Non-Interest Income



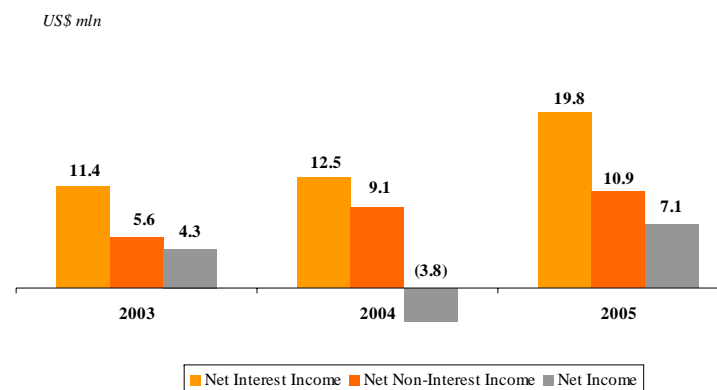
Normalized Net Operating Income (NNOI) & Pre-Bonus Result (PBR)



Net Income



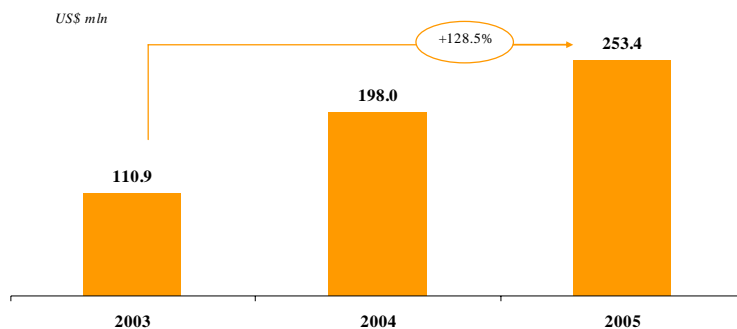
Quarterly NNOI, PBR & Net Income



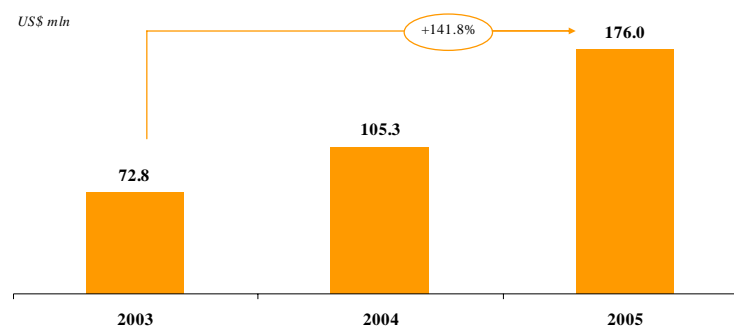
Note: 2004 results include TUB on a combined basis

Balance Sheet Highlights

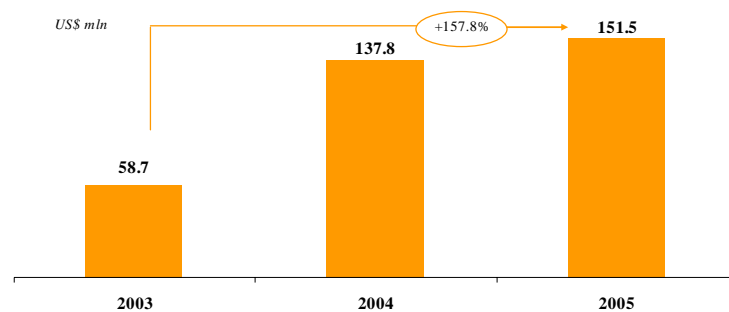
Total Assets (e-o-p)



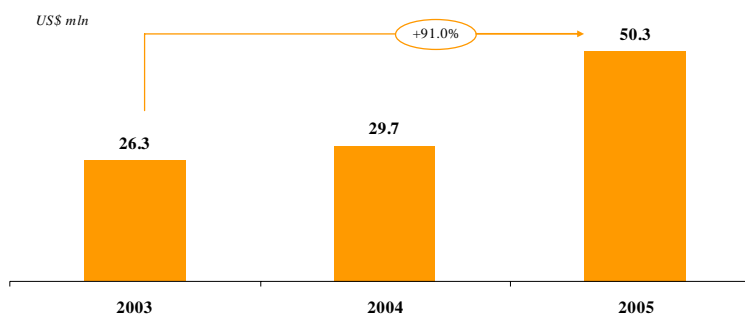
Gross Loans (e-o-p)



Deposits (e-o-p)

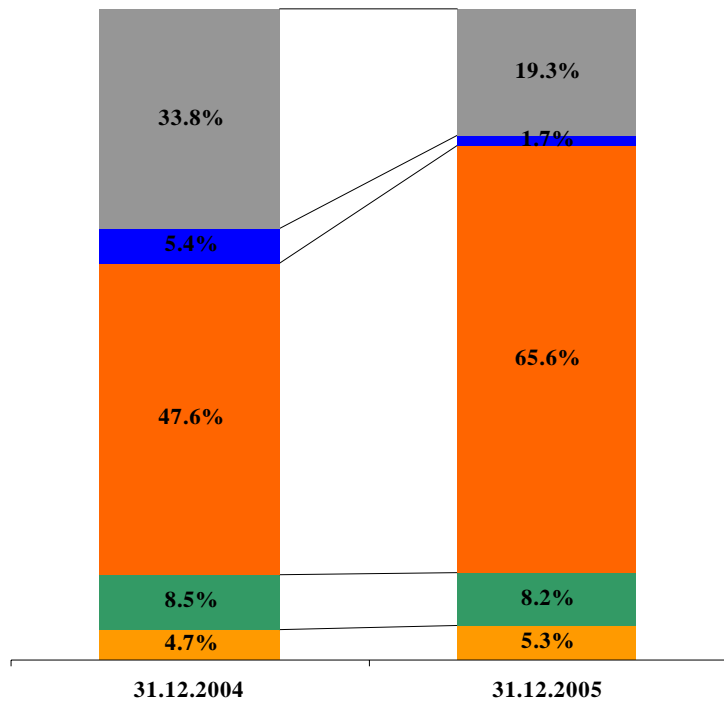


Shareholders' Equity (e-o-p)



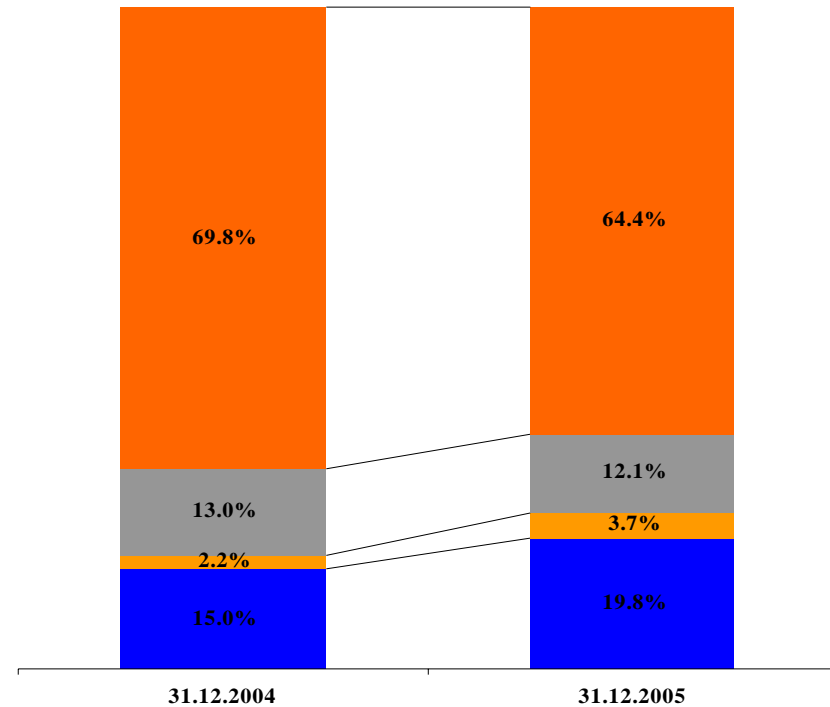
Changing Balance Sheet Composition Geared Towards Higher Profitability

Total Assets %



■ Cash and Equivalents ■ Treasuries ■ Loans ■ Fixed Assets ■ Other Assets

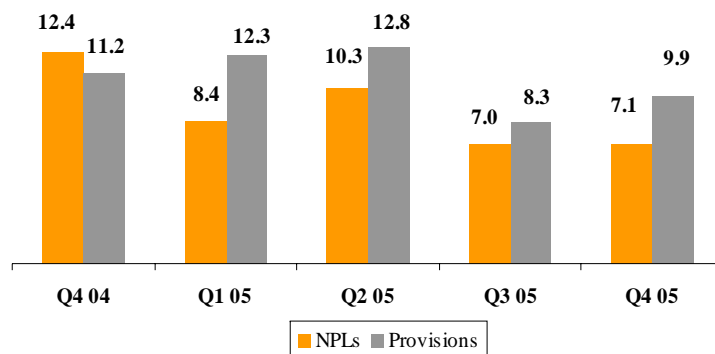
Total Liabilities & Shareholders' Equity, %



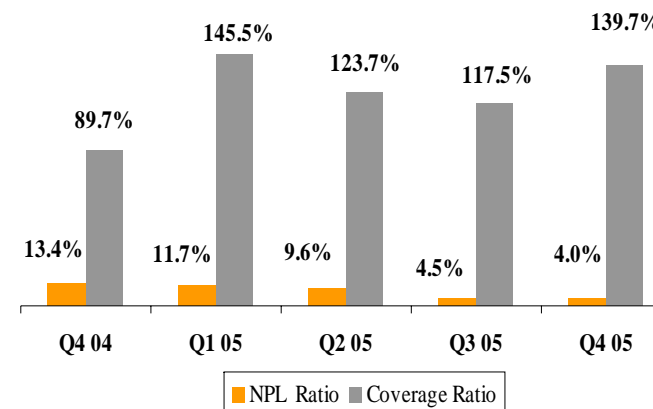
■ Deposits ■ Borrowed Funds ■ Other Liabilities ■ Shareholders' Equity

Diversified Loan Book And Conservative Provisioning Policy

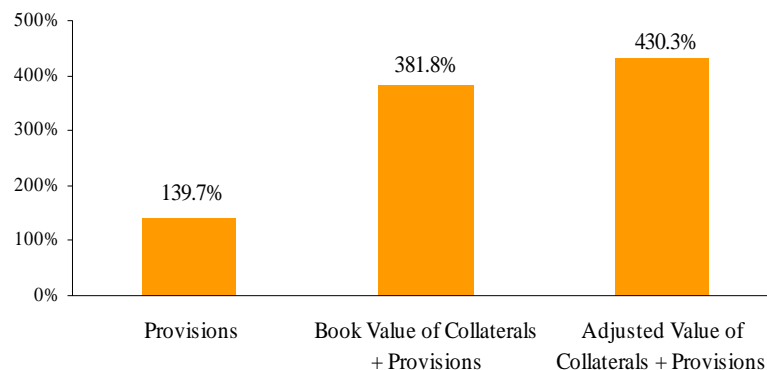
NPLs vs Provisions (e-o-p, US\$ mln)



NPL Ratio vs Coverage

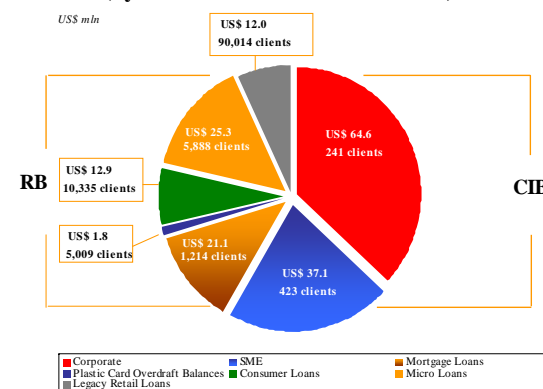


Provisions as % of NPLs



Loan Portfolio Diversification

(by volume and number of clients)



NPL=Overdue more than 90 days (except for 2004 and 2003); NPL Ratio = NPLs/Total Loans;

Coverage Ratio=Provisions/NPLs



www.bog.ge/ir

Bank of Georgia 2005 Results Presentation

March 2, 2006

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Improving Asset Quality While Expanding The Loan Book

Asset Quality

GEL mln, unless otherwise noted

| | Q1 04 | Q2 04 | Q3 04 | Q4 04 | Q1 05 | Q2 05 | Q3 05 | Q4 05 |
|--------------------------------------|-------|-------|-------|-------|--------|--------|--------|--------|
| Overdues* | 14.6 | 11.7 | 11.9 | 14.7 | 11.5 | 7.0 | 9.7 | 13.5 |
| NPLs** | 9.9 | 9.9 | 12.7 | 22.7 | 15.4 | 18.7 | 12.6 | 12.7 |
| NPLs/Total Loans | 6.4% | 6.3% | 7.5% | 13.4% | 7.9% | 9.2% | 4.5% | 4.0% |
| NPL coverage ratio (Provisions/NPLs) | 94.0% | 87.2% | 86.4% | 89.7% | 145.5% | 123.7% | 117.5% | 139.7% |
| Provisions/Total Loans | 6.1% | 5.5% | 6.4% | 12.1% | 11.7% | 9.6% | 5.3% | 5.6% |

*Overdue more than 30 days but less than 90 days ** Overdue more than 90 days in 2005

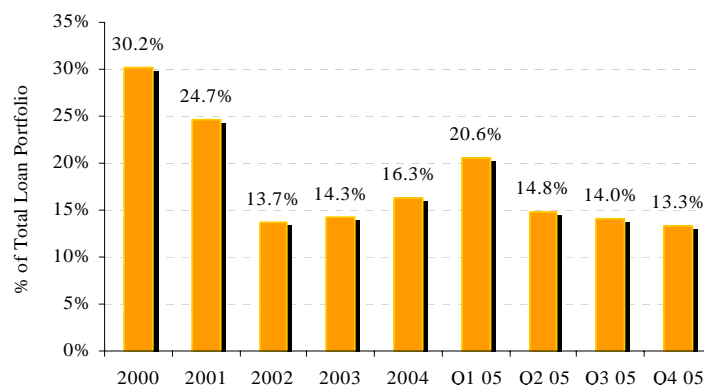
Loan Portfolio Risk by Loan Categories

GEL mln, unless otherwise noted

| | Dec-04 | Dec-04 | Mar-05* | Mar-05* | Jun-05 | Jun-05 | Sep-05 | Sep-05 | Dec-05 | Dec-05 |
|------------------------------|--------|--------|---------|---------|--------|--------|--------|--------|--------|--------|
| Standard (2% provision) | 131.6 | 78% | 176.2 | 81% | 202.6 | 84.4% | 252.5 | 90.2% | 281.9 | 89.5% |
| Watch (10% provision) | 14.7 | 9% | 14.8 | 7% | 11.3 | 4.7% | 11.8 | 4.2% | 13.2 | 4.2% |
| Substandard (30% provision) | 4.2 | 3% | 6.9 | 3% | 8.2 | 3.4% | 8.5 | 3.0% | 9.0 | 2.8% |
| Doubtful (50%-70% provision) | 8.2 | 5% | 5.9 | 3% | 6.1 | 2.6% | 2.3 | 0.8% | 6.1 | 2.0% |
| Loss (100% provision) | 10.3 | 6% | 12.8 | 6% | 11.8 | 4.9% | 4.9 | 1.7% | 4.9 | 1.6% |
| Total | 169.0 | 100% | 216.6 | 100% | 240.0 | 100% | 279.9 | 100% | 315.1 | 100% |

* March 05 includes TUB

Top Ten Borrower Concentration



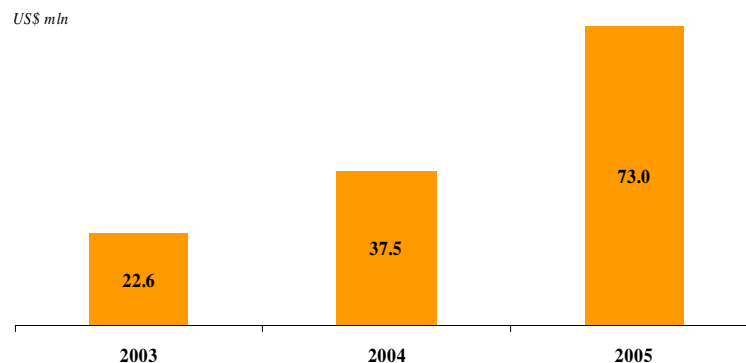
Insider Loans

GEL mln



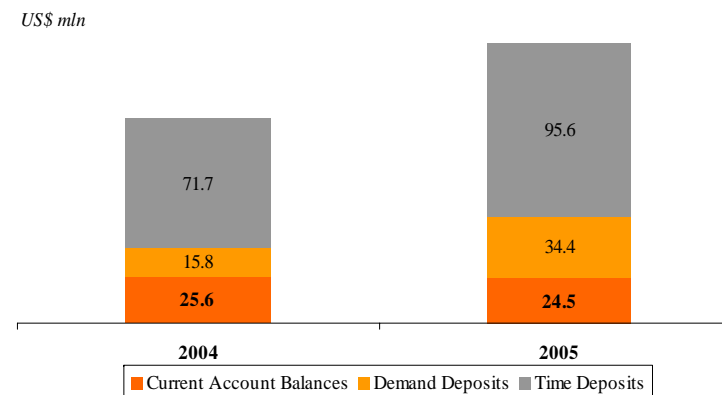
Retail Banking Overview

RB Loans

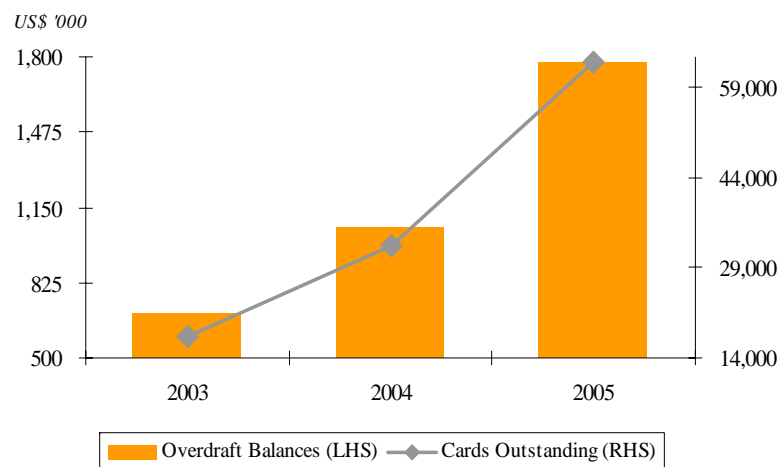


RB Client Funds

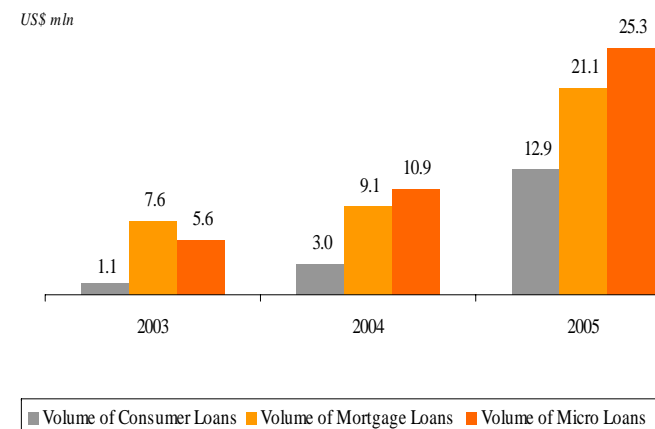
Over 150,000 current accounts at YE 2005



Plastic Cards

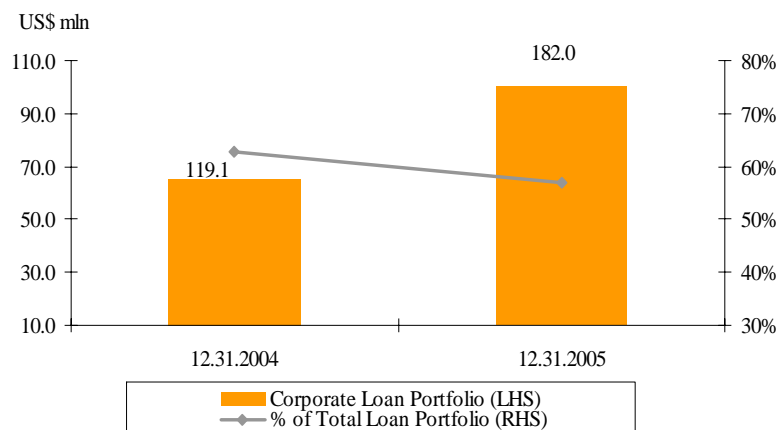


Consumer, Mortgage & Micro Loans

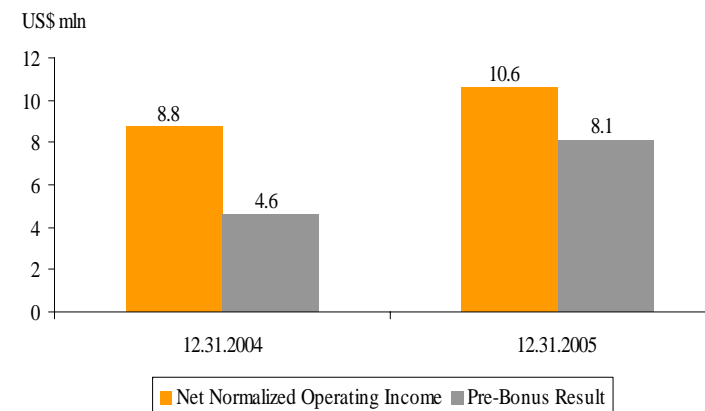


Overview Of Other SBUs

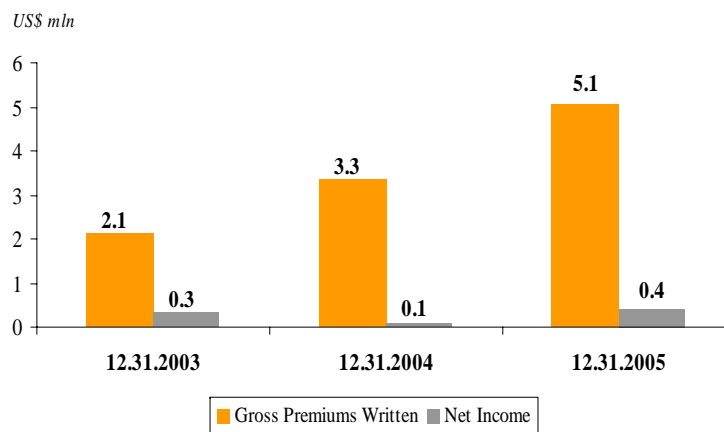
CIB Loan Portfolio



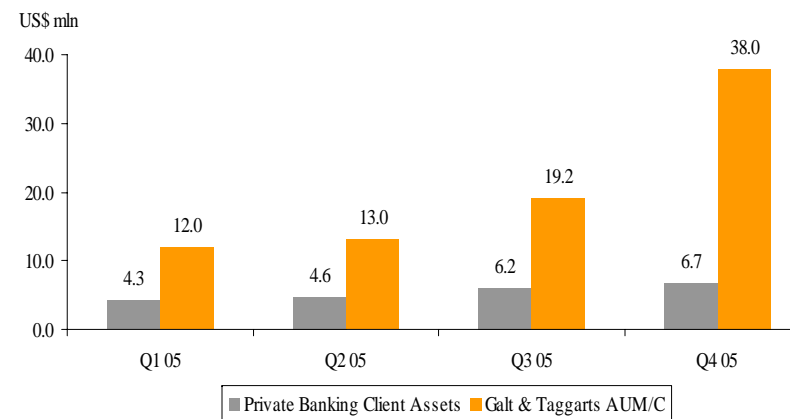
CIB NNOI & PBR



BCI



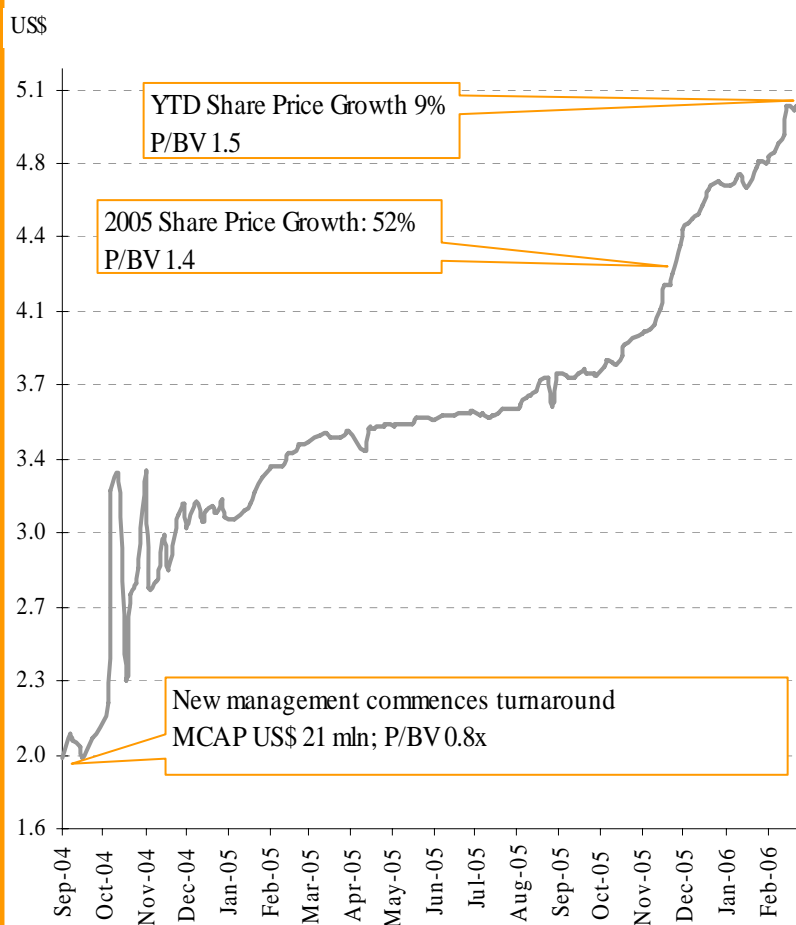
PB Clients & Galt & Taggart AUM/C



2005 – *Leadership In Innovation*

- The first Georgian bank to adopt a CIB integrated client coverage model
- The first Georgian bank to introduce packaged Retail Banking products
- The first Georgian bank to introduce *bancassurance*
- The first Georgian bank to launch Private Banking
- The first successful live migration to a new card processing platform in Georgia
- The first LBO transaction in Georgia
- The first cross-border M&A transaction advisory by a Georgian investment bank
- The first corporate bond issue in Georgia
- The first structured equity transaction in Georgia
- The first research coverage of a Georgian company by a non-resident brokerage house

Share Price Performance



| | 27-Feb 2006 | 31-Dec 2005 | 31-Dec 2004 | 30-Sep 2004 |
|--------------------------|----------------|----------------|----------------|----------------|
| Shares Outstanding (mln) | 15.4 | 14.7 | 11.3 | 9.9 |
| Share Price (US\$) | 5.02 | 4.66 | 3.10 | 2.10 |
| Share Price (GEL) | 9.15 | 8.35 | 5.60 | 3.80 |
| MCAP (US\$ mln) | 77.4 | 68.6 | 35.0 | 20.8 |
| MCAP (GEL mln) | 141.0 | 122.9 | 63.3 | 37.6 |
| MCAP/BV | 1.5 | 1.4 | 1.2 | 0.8 |

Regional peers trade at significantly higher multiples

2004 Share Price Appreciation 175%

2005 Share Price Appreciation 52%

2006 YTD Share Price Appreciation 9%

| Annual Trading Volume (US\$ mln) | GSE | OTC |
|-------------------------------------|------|-----|
| 2004 | 11.2 | 3.6 |
| 2005 | 15.1 | 8.4 |
| 2006 YTD | 0.4 | 2.7 |

Investment Case

- A “leveraged play” on Georgia’s economic growth
- Winning strategy for medium-term profitable growth
- Financial sector consolidator: five acquisitions in the last 18 months
- Solid historical performance due to core franchise strength
- Diversified revenue streams being built through product innovation in the context of an integrated business model
- Disciplined capital management
- Sophisticated management team and strong staff, comprising more than 15 individuals with Western banking & finance background and education
- Results-oriented corporate culture stressing teamwork, initiative and accountability
- Cost efficiencies are being realized
- Transparency and good governance
- Emphasis on investor relations, retail-lot liquidity and international stock exchange listing
- Zealous focus on creating attractive exit opportunities by 2007
- **The only investable banking stock in Georgia (and the Caucasus)**

Ample Exit Opportunities

Selected Potential Buyers



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Caution Regarding Forward-Looking Statements

This presentation contains statements that constitute “forward-looking statements”, including, but not limited to, statements relating to the implementation of strategic initiatives and other statements relating to our business development and financial performance.

While these forward-looking statements represent our judgments and future expectations concerning the development of our business, a number of risks, uncertainties and other factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, (1) general market, macroeconomic, governmental, legislative and regulatory trends, (2) movements in local and international currency exchange rates, interest rates and securities markets, (3) competitive pressures, (4) technological developments, (5) changes in the financial position or credit worthiness of our customers, obligors and counterparties and developments in the markets in which they operate, (6) management changes and changes to our group structure and (7) other key factors that we have indicated could adversely affect our business and financial performance, which are contained elsewhere in this presentation and in our past and future filings and reports, including those filed with the NSCG.

We are under no obligation (and expressly disclaim any such obligations to) update or alter our forward-looking statements whether as a result of new information, future events, or otherwise.

Unaudited 2005 Financial Statements

Income Statement

| | | | | |
|---|---------------|-------------------|-------------------|-------------------|
| GEL/US\$ average exchange rate | | 1.81 | 1.91 | 2.14 |
| | Y-O-Y | Unaudited | Audited | Audited |
| <i>JSC Bank of Georgia Standalone, IFRS</i> | Growth | 12/31/2005 | 12/31/2004 | 12/31/2003 |
| <i>GEL, unless otherwise noted</i> | | | | |
| Operating Income | | | | |
| Interest Income | 44.2% | 48,664,733 | 33,757,694 | 32,298,796 |
| Interest Expense | 29.9% | 12,882,305 | 9,919,060 | 7,880,255 |
| Net Interest Income | 50.1% | 35,782,428 | 23,838,634 | 24,418,541 |
| Commission Income | 18.5% | 13,035,903 | 11,002,843 | 9,398,030 |
| Commission Expenses | 17.8% | 2,105,997 | 1,787,312 | 3,022,039 |
| Net Commission Income | 18.6% | 10,929,905 | 9,215,531 | 6,375,991 |
| Income from Documentary Operations | 27.1% | 2,807,882 | 2,209,396 | 2,159,701 |
| Expense from Documentary Operations | 7.7% | 803,965 | 746,689 | 545,816 |
| Net Income From Documentary Operations | 37.0% | 2,003,918 | 1,462,707 | 1,613,885 |
| Other Non-Interest Income | -91.6% | 183,522 | 2,193,304 | 235,762 |
| Other Non-Interest Expenses | -99.5% | 1,780 | 391,474 | 23,471 |
| Net Other Non-Interest Income | -89.9% | 181,742 | 1,801,830 | 212,291 |
| FX Trading Income | 34.9% | 6,542,241 | 4,848,068 | 3,868,124 |
| Net Non-Interest Income | 13.4% | 19,657,806 | 17,328,136 | 12,070,291 |
| Total Operating Income | 34.7% | 55,440,233 | 41,166,770 | 36,488,833 |
| Recurring Operating Costs | | | | |
| Personnel Costs | 10.0% | 12,442,922 | 11,313,359 | 7,848,031 |
| Selling, General & Administrative Expenses | 20.3% | 4,714,949 | 3,920,334 | 3,169,058 |
| Procurement & Operations Support Expenses | -3.0% | 1,989,900 | 2,050,793 | 1,428,956 |
| Depreciation | 33.8% | 3,491,954 | 2,609,282 | 2,230,987 |
| Other Operating Expenses | -2.2% | 2,925,812 | 2,991,103 | 2,113,851 |
| Various Tax Expenses | -24.0% | 597,126 | 785,494 | 908,348 |
| Total Recurring Operating Costs | 10.5% | 26,162,663 | 23,670,364 | 17,699,230 |
| Normalized Net Operating Income | 67.3% | 29,277,571 | 17,496,405 | 18,789,603 |
| Non-recurring costs | 21.6% | 1,962,044 | 1,613,052 | 1,073,227 |
| Profit (pre-bonus) Before Provisions | 72.0% | 27,315,526 | 15,883,353 | 17,716,376 |
| Provisions | -59.9% | 8,861,148 | 22,118,260 | 5,258,312 |
| Gains on asset sale & recovery | 3635.4% | 1,840,501 | 49,272 | 340,122 |
| Pre-Bonus Result | NMF | 20,294,879 | -6,185,634 | 12,798,186 |
| Guaranteed Compensation Expenses | NMF | 232,000 | - | - |
| Bonuses | 208.6% | 6,000,001 | 1,944,016 | 1,213,174 |
| Pre-Tax Income | NMF | 14,062,878 | -8,129,650 | 11,585,011 |
| Profit Tax | 65.3% | 1,289,194 | 780,117 | 2,431,357 |
| Net Income | NMF | 12,773,685 | -7,349,533 | 9,153,654 |

Balance Sheet

| | | | | |
|---|---------------|--------------------|--------------------|--------------------|
| GEL/US\$ exchange rate e-o-p | | 1.79 | 1.83 | 2.08 |
| <i>JSC Bank of Georgia Standalone, IFRS</i> | Y-O-Y | Unaudited | Audited | Audited |
| <i>GEL, unless otherwise noted</i> | Growth | 12/31/2005 | 12/31/2004 | 12/31/2003 |
| Cash | -30.5% | 24,907,867 | 35,849,634 | 15,924,546 |
| Balances with NBG | -16.2% | 33,249,739 | 39,665,998 | 24,786,617 |
| Cash Balances with Banks | -37.2% | 29,314,610 | 46,700,386 | 17,823,156 |
| Treasuries | -60.4% | 7,700,513 | 19,455,949 | 1,683,201 |
| Other fixed income instruments | NMF | 1,791,329 | 0 | 0 |
| Net Loans | 72.9% | 297,379,751 | 171,958,234 | 140,539,186 |
| Accrued Interest and Dividends | 21.3% | 3,373,236 | 2,781,047 | 2,450,541 |
| Net Investments | 70.8% | 9,221,425 | 5,399,517 | 1,048,287 |
| Fixed Assets | 20.6% | 37,068,704 | 30,727,445 | 22,807,269 |
| Other assets | 11.8% | 7,736,814 | 6,922,934 | 3,059,924 |
| Goodwill | 1.3% | 1,917,416 | 1,892,010 | - |
| TOTAL ASSETS | 25.5% | 453,661,404 | 361,353,155 | 230,122,727 |
| Deposits | 15.8% | 292,167,823 | 252,280,910 | 122,668,093 |
| Interbank deposits | 2563.4% | 21,062,794 | 790,817 | 763,668 |
| Client deposits | 7.8% | 271,105,029 | 251,490,093 | 121,904,425 |
| Borrowed Funds | 16.8% | 54,702,186 | 46,828,912 | 48,940,983 |
| Payable Interest and Dividends | 199.3% | 9,188,107 | 3,069,630 | 2,320,631 |
| Other Liabilities | 51.6% | 7,590,854 | 5,007,842 | 1,551,595 |
| TOTAL LIABILITIES | 18.4% | 363,648,971 | 307,187,294 | 175,481,302 |
| Ordinary Shares | 30.7% | 14,728,704 | 11,273,386 | 9,855,606 |
| Retained Earnings and Revaluation Reserves | 24.2% | 62,510,045 | 50,347,143 | 35,631,581 |
| Net Income for the Year | NMF | 12,773,684 | -7,454,668 | 9,154,238 |
| SHAREHOLDERS' EQUITY | 66.2% | 90,012,434 | 54,165,861 | 54,641,425 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | 25.5% | 453,661,404 | 361,353,155 | 230,122,727 |
| <i>Shares Outstanding</i> | | <i>14,728,704</i> | <i>11,273,386</i> | <i>9,855,606</i> |

Key Ratios

| RATIOS | Unaudited 12/31/2005 | Audited 12/31/2004 | Audited 12/31/2003 |
|---|---------------------------------|-------------------------------|-------------------------------|
| <i>JSC Bank of Georgia Standalone</i> | | | |
| ROAE, % | 19.5% | NMF | 16.8% |
| ROAA, % | 3.3% | NMF | 4.0% |
| Net Interest Margin, % | 13.2% | 11.4 | 17.6 |
| (Net Interest Income/Average Interest bearing assets) | | | |
| Interest Spread, % | 8.6% | 7.9% | 10.8% |
| Cost/Income Ratio (normalized) | 58.43% | 62.2% | 51.8% |
| Personnel Costs/Total Income,% | 33.7% | 32.2% | 24.8% |
| Net Income/Total Operating Income, % | 23.0% | NMF | 25.1% |
| Capital Adequacy Ratio (Tier I + Tier II, Basel),% | 22.6% | 22.2% | 27.5% |
| Net Loans/Total Assets, % | 65.6% | 47.6% | 61.1% |
| Net Loans/Total Liabilities,% | 81.8% | 56.0% | 80.1% |
| Net Loans/Client Deposits, % | 109.7% | 68.4% | 115.3% |
| Total Deposits/Total Liabilities, % | 80.3% | 82.1% | 69.9% |
| Time Deposits/Total Deposits, % | 45.2% | 37.5% | 48.6% |
| Demand Deposits/Total Deposits, % | 12.9% | 6.3% | 6.2% |
| Current Account Balances/Total Deposits, % | 41.8% | 56.2% | 45.2% |
| Provisions/Gross Loans,% | 5.6% | 12.1% | 6.0% |
| NPLs/Gross Loans, %* | 4.0% | 13.4% | 12.3% |
| Provisions/NPLs, % | 139.7% | 89.7% | 48.8% |
| Leverage (total Liabilities/Equity) | 4.0% | 5.7% | 3.2% |
| Book Value per Share | 6.11 | 4.80 | 5.54 |
| Share Price** | 8.35 | 5.60 | 2.03 |

* NPLs includes loans classified as Substandard, Doubtful and Loss

** GSE closing price on the last trading day of the year

2005 Consolidated Group Performance

| | BOG Standalone | BOG Group | | BOG Standalone | BOG Group |
|---|---------------------|---------------------|--|--------------------|--------------------|
| | Dec-05 | Dec-05 | | Dec-05 | Dec-05 |
| <i>GEL, unless otherwise noted</i> | | | <i>GEL, unless otherwise noted</i> | | |
| Operating Income | | | Cash | 24,907,867 | 24,911,081 |
| Interest Income | 48,664,733 | 48,747,939 | Balances with NBG | 33,249,739 | 33,249,739 |
| Interest Expense | (12,882,304) | (12,827,125) | Correspondent account | 4,272,796 | 4,272,796 |
| Net Interest Income | 35,782,429 | 35,920,814 | Regulatory fund | 28,976,943 | 28,976,943 |
| Commission Income | 13,035,903 | 13,776,047 | Cash Balances with Banks | 29,314,610 | 30,105,322 |
| Commission Expenses | (2,105,997) | (2,737,557) | In resident banks | 15,323,750 | 16,092,952 |
| Net Commission | 10,929,906 | 11,038,490 | In nonresident banks | 13,990,860 | 14,012,370 |
| Income from Documentary Operations | 2,807,882 | 2,807,882 | Treasuries | 7,700,513 | 8,303,031 |
| Expense from Documentary Operations | (803,964) | (803,964) | Other fixed income instruments | 1,791,329 | 6,299,527 |
| Net Income From Documentary Operations | 2,003,918 | 2,003,918 | Gross Loans, of which | 315,078,584 | 311,905,611 |
| Other Non-Interest Income | 181,741 | 7,563,175 | Loans to Banks | 2,300,000 | 2,300,000 |
| Other Non-interest Expenses | - | (3,489,559) | Loans to Clients | 312,778,584 | 309,605,611 |
| Net Other Non-Interest Income | 181,741 | 4,073,616 | Provisions for Loan Losses | (17,698,833) | (17,635,373) |
| FX Trading Income | 6,542,241 | 6,485,183 | Net Loans | 297,379,751 | 294,270,238 |
| Non-Interest Income | 19,657,806 | 23,601,207 | Accrued Interest and Dividends | 3,373,236 | 745,713 |
| Total Operating Income | 55,440,235 | 59,522,021 | Gross Investments | 9,501,124 | 4,174,702 |
| Recurring Operating Costs | | | Provisions | (279,699) | (279,699) |
| Personnel Cost (excluding bonus) | (12,422,903) | (14,845,587) | Net Investments | 9,221,425 | 3,895,003 |
| Health Insurance & Pension Costs | (160,657) | - | Gross property owned | 2,775,040 | 2,775,040 |
| Consulting, TA & Development Costs | (311,648) | (323,966) | Provisions | (1,083,602) | (1,083,602) |
| Marketing, PR & Advertising | (999,056) | (999,597) | Net property owned | 1,691,438 | 1,691,438 |
| Depreciation | (3,491,954) | (3,753,894) | Fixed Assets | 35,377,266 | 38,458,790 |
| Other operating expenses | (8,776,448) | (8,557,010) | Property and equipment, Fixed & Intangible Assets | 37,068,704 | 40,150,228 |
| Total Recurring Operating Costs | (26,162,666) | (28,480,054) | Gross Other assets | 7,832,312 | 13,117,721 |
| Normalized Net Operating Income | 29,277,569 | 31,041,967 | Provisions | (95,498) | (865,894) |
| Non-recurring costs | (1,962,044) | (2,040,831) | Net Other Assets | 7,736,814 | 12,251,826 |
| Profit (pre-bonus) Before Provisions | 27,315,525 | 29,001,136 | Goodwill | 1,917,416 | 6,438,952 |
| Provisions | (8,861,148) | (9,372,406) | Total Assets | 453,661,404 | 460,620,659 |
| Gains on asset sale & recovery | 1,840,501 | 1,840,501 | Deposits | 292,167,823 | 289,073,971 |
| Pre-Bonus Result | 20,294,879 | 21,469,231 | Interbank deposits | 21,062,794 | 20,861,444 |
| Guaranteed Compensation Expenses | (232,000) | (232,000) | Client deposits | 271,105,029 | 268,212,527 |
| ESOP Expenses | - | - | - Deposits of Individuals | 154,472,744 | 154,472,744 |
| Bonus | (6,000,001) | (6,198,148) | - Deposits of Legal Entities | 116,632,285 | 113,739,783 |
| Pre-Tax Income | 14,062,878 | 15,039,083 | Borrowed Funds | 54,702,186 | 56,584,055 |
| Profit Tax | (1,289,194) | (1,606,552) | Residents | 7,024,500 | 7,037,048 |
| Net Income | 12,773,684 | 13,432,532 | Nonresidents | 47,677,686 | 49,547,007 |
| Minority interest | - | 144,939 | Payable Interest and Dividends | 9,188,107 | 9,119,366 |
| Consolidated Net income | 12,773,684 | 13,577,471 | Other Liabilities | 7,590,854 | 13,758,696 |
| | | | Total Liabilities | 363,648,971 | 368,536,089 |
| | | | Minority Interest | | 1,349,177 |
| | | | Ordinary Shares | 14,728,704 | 14,728,704 |
| | | | Preferred Shares | - | - |
| | | | Treasury Shares | - | (80,827) |
| | | | Retained Earnings and Revaluation Reserves | 62,510,045 | 62,510,045 |
| | | | Net Income for the year | 12,773,684 | 13,577,471 |
| | | | Shareholders Equity | 90,012,434 | 90,735,393 |
| | | | Total Liabilities and Shareholders Equity | 453,661,404 | 460,620,659 |